

ONE REGION, ONE COMMITMENT

Towards sustainable recovery in
Latin America and the Caribbean

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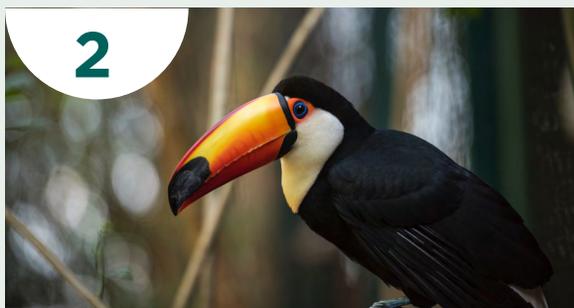
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FOREWORD

Almost two years have passed since the surge of an unprecedented event in our recent history. The entire world was confronted by a common threat that did not distinguish borders. The COVID-19 pandemic has costed the lives of millions of people and has exposed and deepened existing inequalities. Meanwhile, the climate and the biodiversity crises never slowed down.

The latest IPCC report leaves no doubt that human activity has altered the Earth's climate and its consequences could have devastating impacts in the coming decades. Current climate policies put us on track for a 3°C warming by the end of the century. But there are still good news. To avert the worst impacts of climate change, we need to limit the global temperature rise to 1.5°C by achieving net-zero emissions by 2050.

We have a unique opportunity to undertake transformative change and invest in a better type of development that creates a greener, healthier, and more inclusive future. Overcoming the socioeconomic challenges of the COVID-19 pandemic and transitioning to carbon-neutral economies can also be a growth story for the region.

A sustainable recovery offers an opportunity to address all these challenges and decarbonize our economies while reaping economic benefits, including 15 million new net jobs by 2030. In 2021, the IDB Group continues to support countries in Latin America and the Caribbean in planning and implementing robust long-term strategies for decarbonization and climate resilience.

Recent IDB studies show that reaching carbon-neutrality in Costa Rica would bring US\$41 billion in net benefits over 30 years, while

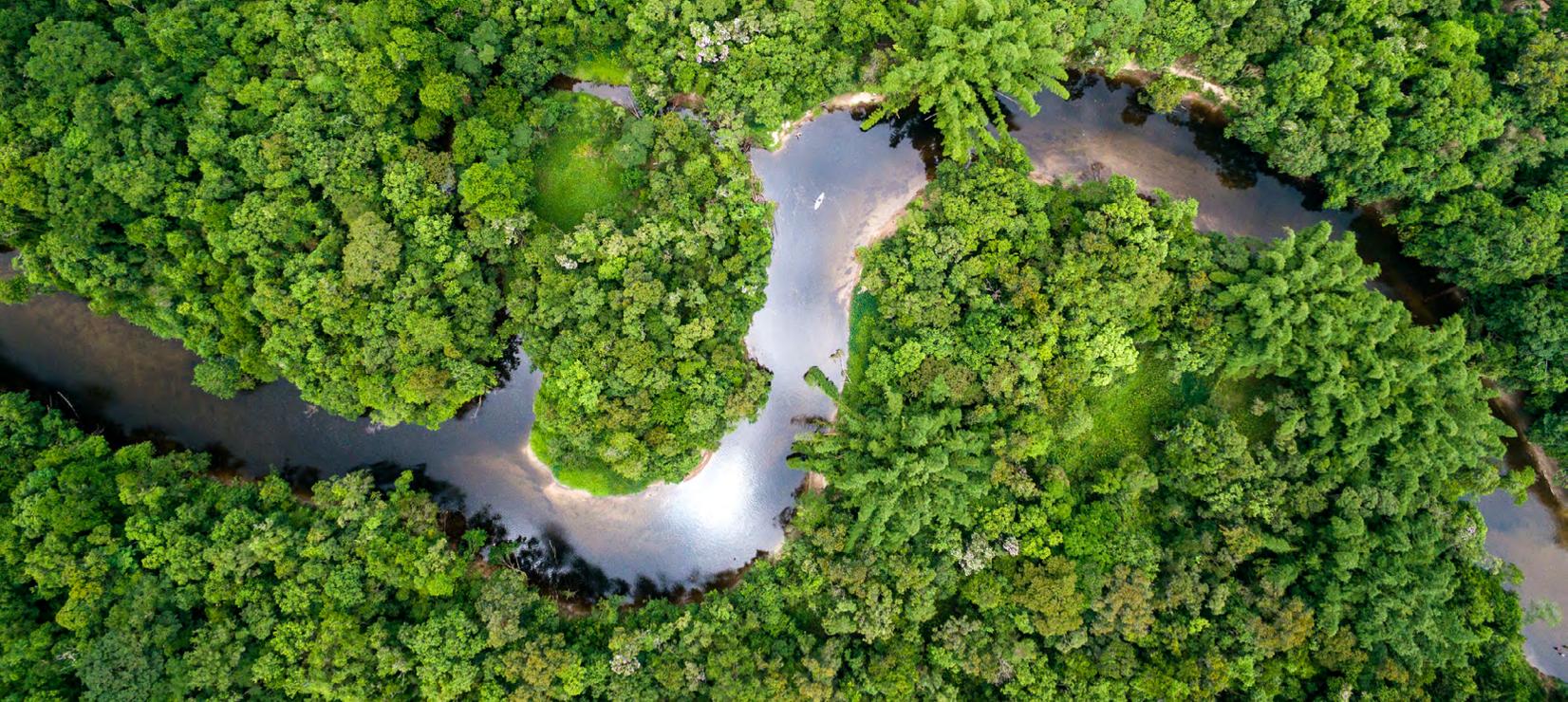
in Peru achieving net-zero emission would bring US\$140 billion in net benefits by 2050. We know that each dollar of investment in resilience brings four dollars in reduced future costs.

The past two years have taught us that our destruction and disruption of nature can increase the likelihood of more pandemics in the future. Nature needs to be at the center of our recovery strategies. As a major biodiversity hot spot, our region has tremendous potential to sustainably harness our natural capital and develop nature-based solutions that can generate income, leverage private sector investment and protect critical ecosystems.

One Region, One Commitment sought to showcase the key achievements of Latin American and Caribbean countries in climate change and biodiversity action in the lead-up to COP15 and COP26. The 3-day virtual summit highlighted the leadership of the region and made the case for further climate ambition. Through a series of 22 panels with experts from the public and private sector, academia and other civil society organizations, we emphasized the need for a sustainable, resilient, and inclusive recovery. We still have a window of opportunity to act urgently on climate and create growth in a more sustainable way. And this is our commitment to the region.



Graham Watkins
*Chief of the Climate Change Division
Inter-American Development Bank*



INTRODUCTION

Latin America and the Caribbean faces a significant challenge given its vulnerability to the impacts of climate change. To achieve a sustainable, low-carbon and resilient development, the region will have to undergo fundamental structural transformations in its type of growth over the next three decades, an imperative that makes economic sense.

In its “Vision 2025” agenda, the IDB has identified the need to prioritize the response to climate change, highlighting that climate action is not incompatible with economic growth. As we undergo the worst economic crisis in a century due to the effects of the COVID-19 pandemic, we understand that the response to this crisis will greatly undermine current efforts to tackle climate change.

A sustainable recovery means [decarbonized and resilient economies](#), which in turn equal sustainable cities, cleaner air and better health, decongested streets and improved productivity, as well as healthy forests and sustainable agricultural practices, all of which must have a human-centered vision and consider just transition mechanisms. This

transformation offers important economic benefits, leading to more and better-quality jobs and, most importantly, better lives.

Progress is being made as we speak. For COP26, at least 30% of our 26 member countries will have presented their updated NDCs. Part of the work that we have been doing at the Inter-American Development Bank (IDB) is supporting countries as they implement their NDCs, as well as plan according to their long-term ambitions aiming for decarbonization and their mid-term goals that hope to achieve the highest possible reduction of GHG emissions to 2030. Planning exercises have become a key piece of climate change mainstreaming and offer concrete impact for climate action.

STATUS OF NDCs IN LAC



Country	NDC 1	NDC2
Argentina	2016	2020
Bahamas	2016	
Barbados	2016	2021
Belize	2016	
Bolivia	2016	
Brazil	2016	2020
Chile	2017	2020
Colombia	2018	2020
Costa Rica	2016	2020
Dominican Republic	2017	2020
Ecuador	2019	
El Salvador	2017	
Guatemala	2017	
Guyana	2016	
Haiti	2017	
Honduras	2016	2021
Jamaica	2017	2020
Mexico	2016	2020
Nicaragua	2018	2020
Panama	2016	2020
Paraguay	2016	2021
Peru	2016	2020
Suriname	2019	2020
Trinidad and Tobago	2018	
Uruguay	2017	
Venezuela	2018	

The region has also realized the importance of including a strategic perspective of their adaptation and resilience efforts. The business case is clear: investing one dollar in resilience in Latin America and the Caribbean will save four dollars in the reduction of damages in the short term. The investments needed to build resilient economies and net-zero emissions are crucial to ensure a sustainable development for all.

In preparation for the next UN Biodiversity Conference (COP15) and UNFCCC Climate Change Conference (COP26), the IDB Group organized “One Region, One Commitment”, a virtual summit to showcase the region’s multiple achievements in the climate change and biodiversity agendas. A total of 22 sessions were held throughout 3 days, in which speakers discussed the advanced climate policies that are being promoted by several countries, underscored that the role of the private sector and civil society

is indispensable and unpostponable, highlighted the unique opportunity we now have to reflect on the type of recovery we want for the region, and examined how to harmonize sustainability goals with economic growth from multiple fronts.

Our region has all it needs to be more ambitious in its commitments and targets and the IDB Group’s role is to ensure the transition out of the COVID crisis is sustainable and climate aware. This requires more innovative and efficient finance, as well as better coordination between different stakeholders to ensure impact and ownership of the climate action.

» **This document provides a brief summary of the main takeaways from the summit. We hope it also serves as a guide to continue learning from the valuable knowledge and experience shared during this event.**



1

COVID-19 AND CLIMATE CHANGE: TWO CRISES WITHOUT BORDERS



Latin America and the Caribbean has been disproportionately affected by the pandemic. The region has lost over [1.2 million lives](#), [has had a 7% loss of GDP](#), its public debt burdens have grown [from 58% to 72%](#) of GDP, and vaccination rollout has faced several obstacles. This has led to a major [increase in unemployment, informality and poverty](#). A [recent IDB study](#) found that the crisis unleashed by the pandemic could increase the incidence of poverty between 25% and 33%, while the distribution of income could worsen, increasing the Gini coefficient from 0.473 to 0.498 in income region average.

Amid the pandemic, the region has also had to face devastating natural disasters and extreme weather events, as well as record-high temperatures, which remind us that climate change is also a threat without borders that cannot be put on hold while we address COVID-19. The demands of the pandemic crisis are immediate and critical, but so is the longer-term and devastating crisis of climate change.

COVID-19 has been transformational for Latin America and the Caribbean. We now have the opportunity to steer that transformation so that it puts us on track to sustainable growth. All countries in the region have quickly implemented [COVID-19 'rescue' policies](#), such as health emergency, liquidity for SMEs, cash transfers to vulnerable populations, and fiscal policies. As of late 2020, G20 governments had committed [US\\$233 billion](#) to support fossil fuel production and consumption compared with US\$146 billion to support decarbonized energy and transport alternatives.

Countries are faced with two paths: one of recovery and reinvestment, or one of continued economic deterioration that will have devastating socioeconomic effects for decades to come. By taking the necessary steps to greener, more sustainable investments, the region can recover from the COVID-19 pandemic in a way that expands

markets, generates employment, leverages the power of our natural assets and protects biodiversity, strengthens our resilience, and takes us closer to limiting global temperature rise.

Paris-aligned investment strategies can unlock new opportunities to implement net-zero emissions, climate-resilient development projects in the region. The sizable investments needed to help Latin America and the Caribbean recover from the COVID-19 pandemic can, and at the same time must, help the region confront the pressing challenge of climate change. The key for governments is to prioritize green activities within their COVID-relief spending programs, reform prices and regulations to leverage private finance, align fiscal strategies with the reality of the global energy transition, and ensure a just and inclusive transition.

As “One Region, One Commitment” explores, taking advantage of this opportunity will require long-term planning and a whole-of-government approach.



2

WHAT IS THE IDB GROUP DOING?



To support countries in 2020, our immediate response to the pandemic has centered around four areas: public health, vulnerable populations, the productivity sector and employment, and public policy and fiscal management. Beyond these immediate response measures, we have also focused on how our projects and research can contribute to a green and inclusive recovery in the region.

Complementing these efforts to support healthcare and economic recovery, the IDB is also mobilizing US\$1 billion to help countries acquire and distribute COVID-19 vaccines in Latin America and the Caribbean.

Climate change is one of the fundamental pillars in our Vision 2025 strategy to guide the region towards a sustainable, resilient, and inclusive recovery. Addressing climate change in a transversal way in the operations of governments is a great opportunity for our region to leverage a sustainable recovery. Finance ministries play a central role to boost a just transition towards green economies. At our Annual Meeting, we committed to the creation of a regional platform for ministers of finance to exchange and support concrete advances on climate change policy.

As IDB Group, we have pledged to dedicate 30% of our funds to climate finance. In 2020, the IDB Group reported US\$3.9 billion of climate finance and is committed to aligning its portfolio to the Paris Agreement.

During the 2021 Annual Meeting, the IDB Group also launched an initiative to support the sustainable development of the Amazon Region.

Our new Climate Change Action Plan 2021-2025 (CCAP) integrates the sustainable recovery perspective. The Plan lays out a relevant approach to further incorporate climate change and sustainability into the IDB Group's work to have a lasting impact as the region attempts to build back more sustainably.

Moreover, it presents many of these opportunities as menus for countries' action. Some Latin American countries are already showing the way. Costa Rica leads on decarbonization, Chile on sovereign green bonds, Barbados on resilience and adaptation, Colombia on biodiversity in cities, Brazil and Mexico on sustainable infrastructure and sustainable finance.

The plan shows how the region can respond to the COVID disaster and positively drive the climate and biodiversity agendas. The action plan also describes how we use concessional finance to drive changes in public and private investment and mobilize private capital for transformation.

Through the NDC INVEST platform, we at the IDB Group offer our knowledge, technical assistance, and financial tools to support countries in implementing their goals under the Paris Agreement. Through NDC INVEST, we have been supporting several countries in the region (e.g. Barbados, Chile, Colombia, Costa Rica and Suriname) in the design of their updated NDCs.



3

**ONE REGION,
ONE COMMITMENT**



As governments in Latin America and the Caribbean focus on overcoming the economic and social challenges of the COVID-19 pandemic, we must ensure that the recovery is sustainable, resilient and inclusive.

The IDB Group continues to support LAC countries towards a just transition to net-zero emissions and climate-resilient economies, while preserving and sustainably harnessing our region's natural capital.

On June 28-30, the "One Region, One Commitment" summit showcased our borrowing countries' achievements and

made the case for further ambition on the road to COP15 and COP26.



Watch all the events here



The results



35,000
participants



118
panelists



15,000
views per day



22
panels



2000+
chat interactions



5
channels



30 hours
of continuous
broadcast



3
days



Day 1 – June 28



High-level opening session
on climate action

[▶ watch video](#)



High-level plenary on natural capital
mainstreaming and finance

[▶ watch video](#)



Bioeconomy: a new model for the
Amazon's sustainable and inclusive
development

[▶ watch video](#)



Accelerating climate and biodiversity
action amid the COVID-19 crisis

[▶ watch video](#)



Investing in people for climate action

[▶ watch video](#)



Rethinking plastics: towards a more
circular LAC

[▶ watch video](#)



Climate change, natural hazards, and
migration in Central America

[▶ watch video](#)



From NAPs to NDCs: what are the
challenges and opportunities to
support adaptation in LAC?

[▶ watch video](#)



6 themes

Sustainable recovery & just transition	Transition to zero carbon energy and transport
Biodiversity and nature-based solutions	Resilience & adaptation
Climate finance	Innovative solutions & the private sector



Day 2 - June 29



Climate change: perspectives from citizens in LAC

[▶ watch video](#)



How to accelerate electric-mobility take-off and NDC implementation? Unlocking opportunities in LAC

[▶ watch video](#)



NDCs: planning for climate action

[▶ watch video](#)



“Paris Alignment” a new paradigm for mainstreaming climate in development finance

[▶ watch video](#)



How can start-ups and entrepreneurs address climate change and biodiversity?

[▶ watch video](#)



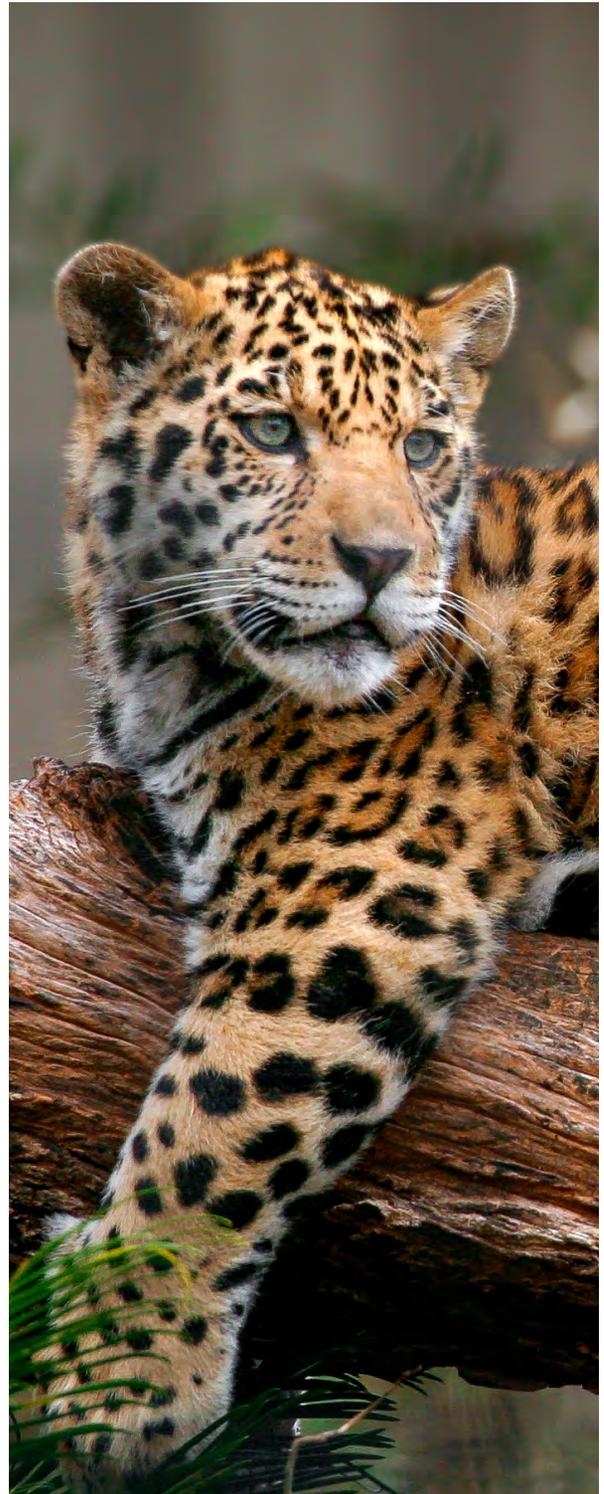
Innovative finance approaches to address climate change and support natural capital conservation

[▶ watch video](#)



Connecting and developing green and sustainable bond markets: the Green Bond Transparency Platform

[▶ watch video](#)



6 themes

Sustainable recovery & just transition	Transition to zero carbon energy and transport
Biodiversity and nature-based solutions	Resilience & adaptation
Climate finance	Innovative solutions & the private sector



Day 3 – June 30



Sustainable infrastructure, critical asset class to mobilize private sector resources

[▶ watch video](#)



LATAM's role in the global food supply: ensuring climate-smart agribusiness

[▶ watch video](#)



Towards a green recovery: a climate-focused agenda for LAC cities

[▶ watch video](#)



Defining resilience within the context of the Blue Economy

[▶ watch video](#)



The decade of the energy transition

[▶ watch video](#)



Long-term strategies for sustainable recovery in Chile, Colombia and Peru

[▶ watch video](#)



Sustainable recovery: what can development banks really do?

[▶ watch video](#)



6 themes

Sustainable recovery & just transition	Transition to zero carbon energy and transport
Biodiversity and nature-based solutions	Resilience & adaptation
Climate finance	Innovative solutions & the private sector

4

KEY MESSAGES





Sustainable recovery & just transition



Latin America and the Caribbean face the triple challenges of COVID, biodiversity loss, and climate change. The region is one of the most affected by the pandemic, facing an economic contraction of 7.4% and 26 million jobs lost in 2020.



A sustainable recovery offers an opportunity to address all these challenges as we are sitting amid a unique opportunity for transformative change. Efforts to boost economic growth after the ravages caused by the COVID-19 pandemic offer the opportunity to invest in a better type of development that will increase climate resiliency and move towards net-zero carbon emissions.



Decarbonization long-term strategies can guide the way to a sustainable recovery and a green, inclusive, and resilient future while offering economic benefits, including the creation of 15 million new net jobs by 2030.



Achieving net-zero emissions in Costa Rica will bring US\$41 billion in net benefits over 30 years through energy savings, reduced cost of accidents and time wasted in congestion, air pollution, and improvements in ecosystem services and agriculture yields.



In Peru, carbon-neutrality would bring US\$140 billion in net benefits by 2050 across sectors such as transportation, land use change and forestry, energy, waste and industrial process.



While the transition is technically feasible, citizens and businesses are on the front line for decarbonizing. We need to ensure a just transition, which means engaging all stakeholders, addressing obstacles, and maximizing the benefits of a net-zero economy.



A just transition could create green jobs and help reduce inequalities in terms of access to quality jobs for women, young workers and rural population, and better education and professional skilling.



In Latin America and the Caribbean, 81% of the population lives in urban areas and cities. These account for 76% of energy demand and concentrate critical infrastructure for economic and social development. Action at the local level is truly urgent and necessary to meet the goals of the Paris Agreement, and it is key on the path to sustainable recovery.



Climate action is also a driver of urban development. Decarbonizing cities can be seen as an opportunity for economic gains through investments in land-use planning, transport and mobility systems, and efficiency in energy, water, waste, and buildings.





We have a great opportunity to think about what type of recovery we want for our region. At the IDB Group, in the context of our Vision 2025 strategy, we are committed to steering the recovery towards a sustainability path.



Reina Irene Mejía Chacón

Executive Vice President, IDB



[Sustainable recovery: what can development banks really do?](#)



Jessica Bedoya

Chief of Staff and Executive Advisor, IDB



[Accelerating climate and biodiversity action amid the COVID-19 crisis](#)

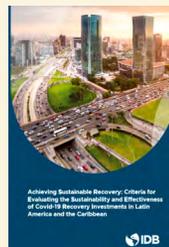


As women are often in the front line of climate change impacts, empowering women is key to strengthening and building more climate-resilient communities. Latin America and the Caribbean is one of the most gender-unequal regions in the world and the COVID-19 pandemic has exposed and even widened those gaps. Overcoming the pandemic and its consequences will require all of our efforts and tackling the gender gap is key.

For more information



[Climate Policies in Latin America and the Caribbean: Success Stories and Challenges in the Fight against Climate Change](#)



[Achieving Sustainable Recovery: Criteria for Evaluating the Sustainability and Effectiveness of COVID-19 Recovery Investments in Latin America and the Caribbean](#)



Climate finance



Nationally Determined Contributions (NDCs) should be viewed as planning tools to establish a development path and investment milestones. These documents will only have a clear impact if they are translated into concrete actions through their appropriation by public and private sectors and, above all, by citizens.



Finance from international banks and other investors must be consistent and congruent not only with sustainability but also with the Paris Agreement decarbonization and climate resilience targets. We cannot have resources supporting the transition to net-zero emissions while at the same time we continue to finance activities that go against those objectives.



At the IDB Group, we have moved to a new mindset, away from thinking about reducing emissions to trying to achieve targets by 2050 in terms of decarbonization and adaptation. By doing this, we are trying to avoid financing projects that may reduce emissions in the short term, but that lock in technologies that still generate emissions in the long term.



Long-term strategies (LTS) are increasingly becoming a central tool to address the challenge of creating congruent and aligned financial flows. LTS are not necessarily a stand-alone document produced by a single entity, but rather strategies that are embedded into the different sector national development plans. MDBs are in a privileged position to push these forward given they engage and partner with different stakeholders within each country.



Worldwide, the green bond market reached a record issuance of US\$1.1 trillion by 2020. Latin America and the Caribbean represent 2% of this market with large upward potential. To attract more long-term capital to the LAC region it is important to guarantee transparency in the use of proceeds and in the environmental performance of green bonds issued in the region.



Green bonds are an opportunity for markets to leverage investments in a different way and access the ambitious resources that are needed in the region to achieve the Paris Agreement. However, there are still challenges in demonstrating this market is not greenwashing. Standardization and taxonomy are important for investors to understand what is really behind the promise of “green”.

Green Bond Transparency Platform

The Green Bond Transparency Platform (GBTP) is an initiative developed by the Inter-American-Development Bank (IDB) to promote transparency in the green bond market in Latin America and the Caribbean (LAC). The platform aims to support the harmonization and standardization of green bond reporting for green bond issuers and to enable all users to analyze where the proceeds of the bonds are invested, and what environmental performance was realized.





After the Paris Agreement, Jamaica knew NDC implementation was not simply an option but a commitment of the government.



Una May Gordon

Principal Director, Ministry of Housing, Urban Renewal, Environment and Climate Change



[NDCs: planning for climate action](#)



Luis Miguel Galindo

Professor of Economics, UNAM



[NDCs: planning for climate action](#)



In Latin America we used to think that an economy should first grow and then become green. Today we know that we must be green in order to grow and improve our lives.



In Honduras the climate emergency is critical. We go from extreme droughts to extreme floods. Year after year we must direct resources to address these emergencies. It is undeniable that investing in prevention is cheaper than disaster relief and reconstruction.

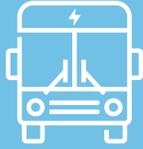


Christa Castro Varela

Ambassador, Embassy of Honduras in Germany



[NDCs: planning for climate action](#)



Transition to zero carbon energy and transport



Electric mobility has been identified in several NDCs as a key tool to reduce emissions. Accelerating this transition requires new contractual and regulatory frameworks; large investments, supported by access to finance mechanisms that consider the return-on-investment timeframe of this technology; and a coordination between public and private actors.



Latin America and the Caribbean has abundant natural resources to generate renewable energy at competitive prices, as well as the minerals needed to produce batteries for electric vehicles. These value chains represent opportunities for small and medium enterprises, which are the pillars of our economies.



To promote electric mobility, countries must offer tax and financial incentives that lower the costs of imports and enable local production. Eliminating fossil fuel subsidies will be crucial in leveling the playing field and consolidating the business case for electric solutions.



To achieve our decarbonization goals it will not be enough simply to return to the path we were on before the pandemic; we must accelerate the implementation of renewable energies. The percentage of renewables in the last decade has been stable at an average of 56%, yet the region has committed to a 70% renewable energy use by 2030.



Energy efficiency and the use of renewable energies are two of the actions with the greatest impact in the reduction of GHG emissions and they will also be instrumental in the sustainable recovery from the COVID-19 crisis due to their impact on the creation of jobs throughout their value chain.



Subnational governments have a significant role to play in taking the necessary steps to achieve international targets. While commitments have been made at a national level, emissions are generated at a subnational level and solutions must emerge in this context as well. Local capacity building and institutional strengthening are essential to support these efforts.



Public planning that has a clear objective in mind from the beginning is essential to get to the point where we can finance private sector operations in this field



Felipe Ezquerra

Investment Management Principal Officer, IDB Invest



How to accelerate electric-mobility take-off and NDC implementation? Unlocking opportunities in LAC



Maria Isabel Ortiz Mantilla

Secretary of the Environment and Territorial Planning of the State of Guanajuato, Mexico



The decade of the energy transition



The planet has spoken, and it has clearly shown us that we have made excessive use of it. However, it is also opening an opportunity for us to prove that we can change the paradigm and resume our activities under a different model, one that is committed to lower energy consumption.

For more information



[State of Charge: Energy Storage in Latin America and the Caribbean](#)



Biodiversity and nature-based solutions



Latin America and the Caribbean holds 40% of the world's biodiversity and contains seven of the 25 critical biodiversity points. More than 30% of the freshwater available on Earth and almost 50% of the world's tropical forests are in the region. This natural capital is not only important as nature reserve or habitat, but it also generates important benefits for human development and well-being, including our path to recovery post COVID-19.



Unfortunately, we are witnessing the destruction of forests and other habitats, and the fastest decline in biodiversity ever recorded. None of the 20 objectives of the Aichi targets of the UN Convention on Biological Diversity set in 2010 have been reached.



Nature-based solutions could account for 40% of the reduction in carbon emissions needed to limit global warming to less than two degrees Celsius by 2030. Nature-based solutions can also provide important resilience services, protecting us against rising sea levels and the more intense storms resulting from climate change.



Nature-based solutions can help to generate income, leverage private sector investment, and protect critical ecosystems. Each million invested in nature can create over 40 jobs, over 10 times that of investments in fossil fuels.



The recent Dasgupta Review on the Economics of Biodiversity made clear that humanity's demands on nature are significantly outstripping its supply, creating significant risks for economies and financial systems. If we want to turn this around, the world will need to increase global biodiversity conservation and restoration financing from US\$120 billion per year to between US\$722-967 billion per year over the next ten years.



As highlighted in the IDB's Vision 2025, to achieve a sustainable growth, it is key to invest in the biodiversity and climate change agendas. Protecting and enhancing our natural assets, and the biodiversity that underpins them, is crucial to achieving a sustainable and resilient recovery.



You cannot separate the biodiversity agenda from the climate change one.



Yolanda Kakabadse

Former President of the World Wildlife Fund and Ecuador's former Minister of the Environment



[Accelerating climate and biodiversity action amid the COVID-19 crisis](#)



Jyoti Mathur-Filipp

Director of the Implementation and Support Division at the Secretariat Convention on Biological Diversity



[Accelerating climate and biodiversity action amid the COVID-19 crisis](#)



The impacts of COVID-19 have brought the importance of biodiversity conservation more clearly to focus and highlighted the need to enhance the mainstreaming of biodiversity and ecosystem services into sectors such as health, agriculture, fisheries, forestry and climate change.



We should continue developing payments for environmental services and recognize the ecosystem benefits from soil protection, blue restoration and improvements on precision agriculture and modernization.



Andrea Meza

Minister of Environment and Energy, Costa Rica



[High-level plenary on natural capital mainstreaming and finance](#)

For more information



[Impact Investment for Biodiversity Conservation: Cases from Latin America and the Caribbean](#)



Resilience & adaptation



Climate change has become a key driver for migration. In 2019, more than 25 out of 33 million displacements were related to climate events. In 2020, ETA and IOTA caused the internal migration of over half a million people in Honduras, Guatemala and Nicaragua.



According to the UN, the increase in migration in Honduras, Guatemala and El Salvador coincides with the severe draught from 2014 to 2018 in the Dry Corridor. In this region, 80% of families live under the poverty line and 62% depend on corn, beans and sorghum for their livelihoods, crops that would diminish their output under drier conditions.



The IDB has created a non-reimbursable facility to support countries receiving significant migration flows. The Bank's migration framework focuses on before, during, and after the migration process through four pillars: regularization and protection, access to social services, access to basic services, and economic opportunities.



Investing in climate resilience is central for post COVID-19 recovery strategies. Studies suggest that the damages from climate impacts could cost US\$100 billion a year over the next 30 years in LAC alone. Each dollar of investment in resilience brings four dollars in reduced future costs.



Blue Economy looks at the way oceans are a driver for welfare and prosperity. In short, growth is at the heart of the Blue Economy. The inevitable rise of population, tourism, and migration in the region will lead to increased development pressure on marine environments. Combining that with the climate impacts—sea level rise, increased acidity, extreme weather—makes for a very difficult future.



The Blue Economy has been hit hard by the pandemic with negative impacts for workers in the tourism sector, fishing, shipping, and local communities. The effects have been felt disproportionately by small island developing states and countries with significant ocean resources. It is crucial to effectively integrate the protection of ocean and coastal ecosystems in recovery strategies and the climate resilience agenda in these countries.



As of 2017, the world had produced 8.3 billion metric tons of plastic and 79% of these are accumulated in landfills and the environment. On average, Latin America and the Caribbean produces 4% of plastics used globally but recycles less than 5% of it. Chile, which recycles roughly 10% of the 1 million ton of plastic it produces annually, is moving forward on a circular economy. The Chilean Plastics Pact, launched in 2019, aims to ensure that 100% of plastic packaging is reusable, recyclable, or compostable by 2025.



Latin America and the Caribbean is the region with the highest potential of job creation coming from the move to a circular economy. The ILO estimates that transitioning towards a circular economy could create 10 million new jobs in the region by 2030 through a 5% per year increase in the recycling rate of plastic, glass, wood, pulp, metals, and minerals.





As an island, we are all natural capital. The question is, how does the world value the natural capital of small vulnerable islands? Nature and the environment have been and continue to be central to the recovery. It's important to understand that in many ways it is not just about the market-based value.



Rosa Morales

General Director of Climate Change and Desertification, Ministry of the Environment Peru



[The decade of the energy transition](#)



Marsha Caddle

Minister of Economic Affairs and Investment, Barbados



[Accelerating climate and biodiversity action amid the COVID-19 crisis](#)



A multistakeholder approach is fundamental to ensure a bold climate change strategy for a resilient development and a comprehensive long-term planning exercise.



We can't have a healthy planet without a healthy ocean [...] Countries need to go to Glasgow to COP26 with new Nationally Determined Contributions. We need the "blue lenses" to inform those proposals



Jose Dallo

Senior Environmental and Sustainable Development Office at the Sustainable Development Unit of the Executive Office of the UN Secretary General, United Nations



[The decade of the energy transition](#)

For more information



[Can the Blue Economy Spark a Sustainable and Inclusive Recovery in the Caribbean](#)



Innovative solutions and the private sector



Entrepreneurs and start-ups are playing an increasingly important role in shaping the productive landscape in the region. Therefore, they will be key in driving a sustainable recovery and a greener and more inclusive future. While established, traditional companies have lost billions of dollars in value over the past decade, young companies, fluent in today's digital technologies, have built over half a billion dollars in value.



Blended finance refers to blending private and public sources of financing, but also different types of financial instruments: grants, equity, contingent recovery grants, etc. In climate and bioeconomy finance it is important to have different combinations of mechanisms to de-risk and attract potential investors.



During the pandemic, we have seen a real decline in investment in the region. Many of the countries are focused on the health emergency so there has been a slowdown in the development of infrastructure projects. From this crisis we have also learned that we need to be ready to manage different types of situations in the future. As the recovery starts to take place, the private sector will be crucial in reinvigorating investment in sustainable infrastructure.



Almost 50% of GHG emissions in LAC come from agriculture, forestry, and land use change. At the same time, agriculture is particularly vulnerable to the effects of climate change. Therefore, agribusinesses can support the transition to achieve the 1.5°C target by increasing their investments in sustainable, climate-smart measures in their operations and throughout their value chains. In addition to their vulnerability, there is a growing pressure from consumers and investors that is motivating them to rethink their business models to become more sustainable.



We will need all hands in order to achieve the targets that have been set and we can only rise to the challenge if we are aligned and working together. In this sense, the role of innovation in the private sector will be key if we are to achieve a sustainable and green recovery.



Carolina Lustosa

Private Finance Specialist, IDB Lab



How can start-ups and entrepreneurs address climate change and biodiversity?



Mariana Sarmiento

CEO, Terrasos



Innovative finance approaches to address climate change and support natural capital conservation



In order for us to accelerate private investment in the environment and in biodiversity conservation, we need to build more trust between the public and private sectors.



We need more ambition: on the project side, the company side, the investor side. Ambition on policy. Ambition on the private side with entrepreneurs. With the right type of effort from public and private actors we can achieve great things in the region.



Simon Dent

Head of Blue Investments,
Althelia Sustainable Ocean Fund



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